

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2154
ANSWERED ON:03.12.2001
COST OF PRODUCTION
P.C. THOMAS

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government are aware that several agricultural produces are not giving adequate returns to farmers;
- (b) whether farmers are not able to continue their job due to heavy costs of production and low return;
- (c) if so, the steps taken by the Government in this regard to save the farmers;
- (d) whether various trade agreements have not yield fruitful results and farmers have suffered heavy losses;
- (e) if so, the details of losses to farmers cultivating paddy, wheat, sugarcane, coconut, arecanut, pineapple and mango, item-wise; and
- (f) the corrective steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (c): During the last two years prices of certain agricultural commodities have shown a declining trend. This has affected the level of returns to farmers.

In order to protect the interest of the farmers, twenty-five major agricultural commodities are covered under the Scheme of Minimum Support Prices (MSP). Purchase operations for these commodities are required to be undertaken at MSP levels through public and cooperative agencies whenever prices fall below MSP levels. The Minimum Support Prices are so fixed as to ensure remunerative prices to the farmers for their produce. The Government is also implementing Market Intervention Scheme (MIS) for horticultural commodities and other minor agricultural produce, which are perishable in nature.

(d) to (f): The long term objective of the WTO Agreement on Agriculture is to establish a fair and market oriented agricultural trading system and to initiate reform process through negotiations, on commitments on support and protection. The aim is to ensure substantial progressive reduction in certain types of agricultural support and protection over an agreed period of time which will result in correcting and preventing restrictions and distortions in World Agricultural Market.

The Agreement on Agriculture does not require India to reduce its existing subsidies for research, pest and disease control, marketing and promotion services and various infrastructural support services. India is continuing its assistance to resource poor farmers, and implementing poverty alleviation programme and Minimum Support Price (MSP) scheme and following agricultural policies and various domestic support programmes for protecting the interest of the farmers. Value of India's exports of agricultural commodities has been in excess of the value of agricultural imports into the country. Further in the year 2000-2001, value of agricultural exports increased over that of 1999-2000 while value of agricultural imports declined during the corresponding period.

Information about losses to farmers is not maintained. However, the farmers' income which is reflected in Gross Value Addition (GVA) in Agriculture, Animal Husbandry, Forestry, and Fishing has increased from Rs. 269383 Crores in 1997-98 to Rs. 290895 Crores in 2000-2001 at constant prices.